



THE LEGISLATURE
State of Hawaii

NEWS RELEASE

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Media Contact: Georgette Deemer
T. 586-6133; C. 341-5043.

**HOUSE AND SENATE LEADERS UNVEIL 2006
MAJORITY PACKAGE**

Focus will be on Public Education, Economic Development, Housing and Energy

HONOLULU. Senate President Robert Bunda and Speaker of the House Calvin Say, along with Democratic majority members of the State Senate and the House of Representatives, today unveiled a joint Majority Package for the 2006 legislative session.

“This majority package is a reflection of our vision for the future,” said Senate President Robert Bunda. “The legislature will seek to address many current needs, but it is also important that we invest our resources for the next generation.”

The package focuses on four major areas: Public Education, Economic Development, Housing and Energy.

“Education remains our top priority for 2006,” said Speaker Calvin Say. “I am also very excited about devoting more resources to the life sciences, medical sciences, and biotechnology, supporting and complementing the work being done at our new medical school. It’s a great opportunity for Hawaii.”

Following is a summary of the proposals with cost projections:

Public Education

Department of Education (DOE)

- Fund repair and maintenance program, including retrofitting the public schools as shelters for natural disasters: \$150 million in general funds and general obligation bonds
- Supplemental funding for operations: \$80 million
(more)

- Authorize the use of certificates of participation for construction of new schools; establish special fund with \$50 million from the general fund, with interest from the fund to be used for lease back payments by the school.

University of Hawaii

- Fund deferred repair and maintenance of buildings: \$84 million
- Supplemental funding for operations: \$50-60 million.

Economic Development

Support Diversified Agriculture

(1) Repair and maintain state and private irrigation systems

- \$50 million fund, of which \$12 million from general fund, \$38 million CIP;
- State funds to be matched by \$50 million in federal funding
- 15 public and private irrigation systems covered
- Incentives for private landowners to repair and maintain irrigation systems through Special Purpose Revenue Bonds and tax credits, provided the land within 2 miles of the irrigation system is designated as Important Agricultural Land (IAL).

(2) Enhances role of Agribusiness Development Corporation (ADC)

- Transfers responsibilities for marketing the agricultural industry, land management, irrigation system management to ADC
- Maintains Department of Agriculture as regulatory agency

New Initiatives for Research and Development

- Create significant and dedicated funding to support research in life sciences, biotechnology, biological renewable energy, agricultural biology, medical sciences, and the cancer center. Funds shall be used for projects that develop businesses related to life sciences, provide high paying jobs and use Hawaii's best educated, and retain business profits in Hawaii.
- Funding to be administered by successor organization to Life Sciences Council, attached to UH.

(more)

- Board of nationally recognized experts in life sciences, selected by Governor, Senate President, Speaker, with ex officio members from DBEDT, JABSOM, Life Sciences Council, Enterprise Honolulu.
- Sunset in 2012.

Workforce Development

- Creates new program within the community colleges at UH for the purpose of building a work force in high needs areas, such as construction, agriculture, nursing, etc.
- Funding: \$5 million; plus use of Reed Act money.

Housing

The Joint Legislative Housing and Homeless Task Force is preparing its report that is expected to be released early next week. We expect comprehensive recommendations to meet the suggestions of the stakeholders who participated in the task force discussions. Among those expected recommendations are the following concepts:

- (1) Increase funding for the Rental Housing Trust Fund
- (2) Increase funding for homeless and transitional housing
- (3) Create developer incentives to build moderate income homes.
- (4) Identify state lands for self-help community land trusts.
- (5) Provide funding to repair vacant public housing units.

Energy

Pilot projects in four schools

- Install photovoltaic systems in four schools where significant roof repairs are scheduled, and where demonstrated energy savings can be met to justify expense of alternative energy system, and where net metering can offset expense.
- CIP: \$5 million

Renewable energy tax credits

- Remove sunset date of January 1, 2008.
- Increase amount eligible for 35% tax credit for residential properties that install solar photovoltaic panels from \$1,750 to 5,000;
- Increase amount eligible for 20% tax credit for commercial properties that install wind or solar photovoltaic panels from \$250,000 to \$500,000

Energy Conservation in Public Buildings

- New construction in public buildings shall meet the Leadership in Energy & Environmental Design (LEED) silver standards.
- Implement and fund Act 77, Energy Efficiency in State Facilities, SLH 2002, by prioritizing energy conservation projects for existing public buildings which result in immediate pay back in cost savings and conservation.
- Funding: CIP \$100 million

Pilot program for Pay As You Save (PAYS) to finance residential solar water heaters through public utility company.

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